



**TESTIMONY OF  
Catherine Rees, MPH  
Director, Community Benefit  
Middlesex Hospital  
SUBMITTED TO THE  
FINANCE, REVENUE AND BONDING COMMITTEE  
Monday, March 9, 2015**

**SB 946, An Act Concerning Revenue Items To Implement The Governor's Budget**

Members of the Finance, Revenue and Bonding Committee – my name is Catherine Rees, Director of Community Benefit at Middlesex Hospital, and I thank you for the opportunity to present testimony in opposition to SB 946.

The Governor's budget proposal would expand the hospital tax to \$514.4 million per year over the course of the biennium – this is a staggering number. Since state FY12, Connecticut hospitals have been subject to a taxation and re-distribution model that has continually left our hospitals on the losing end. For Middlesex Hospital, our net loss from the taxation arrangement since state FY12, and including the proposed budget, will be \$34.5 million – and even higher if we don't receive the supplemental payment.

The repercussions from the tax provision losses for CT hospitals have been well-documented: our hospitals have been forced to close critical clinical services and important community programs, eliminate jobs, shift costs to employees, and we have struggled to invest in expensive technologies that improve patient care. This is in direct opposition to our missions and fundamental purposes of improving the health and well-being of the communities we serve, but many hospitals have been left little choice. Increasing taxation and cuts only exacerbates the financial stress CT hospitals are experiencing and continues to erode our long-term viability.

Let's focus for a moment on why hospitals are important to communities, *your* communities:

It goes without saying that a key characteristic of a society's health and well-being is health status. In the communities where we live, when we think of the institutions that improve community health, we invariably think of our local hospitals, our anchor institutions. It is fair to therefore say that hospitals and their ancillary services provide a vital function for both restoring and promoting the health of a community. The continual fiscal assault by the state threatens to, and in many cases *has*, negatively affected community health and well-being, most notably for the vulnerable and underserved.

Given this, the perplexing question that those of us who work in hospitals must ask is: why are CT hospitals continually targeted as the solution to budget deficits when we are critical to our communities' stability, health and well-being?

We are asking you to invest in the health of your communities by investing in your hospitals; to strengthen, not weaken hospital infrastructures; to support us in living our missions of promoting the health and well-being of our communities. We are asking for a moratorium to be placed on CT hospital tax increases and cuts.

Please do not put CT hospitals in the position of having to lay off staff and eliminate critical services. First on the chopping block will be community benefit programs – those that generate low or negative margins and respond to the needs of special populations/our communities' most marginalized. To do so would have detrimental health status and negative quality of life consequences for those who rely on our community benefit services (and, would increase future costs to the system by reducing access to care).

For these reasons, we ask you to vote "No" on increased hospital taxes contained in SB 946. Thank you for your consideration of our position.